

Report from Bonn by Rainer Apel

Solving the Soviet housing problem

The cooperation agreement between German and Soviet construction industries clears way for reunification.

The bilateral agreement on the Soviet troops that are still stationed in East Germany was at the center of negotiations for the treaty leading to German unification. In a series of highest-level talks between the German and Soviet governments, Chancellor Helmut Kohl gave the go-ahead for a special German fund of DM12 billion that is to cover costs related to the withdrawal of 380,000 Soviet troops to the U.S.S.R. over the next four years.

Approximately one-third of the money will be spent to cover the direct costs of stationing Soviet troops on East German territory and of their transport back to the U.S.S.R., which is to be completed by the end of 1994. The rest will be spent to co-fund a home-building program for officer families returning to the U.S.S.R. from East Germany and the training of Soviet Army officers and soldiers in civilian professions.

What looks like a simple deal of "deutschemarks for the Red Army" is much more. It is a long-term investment in cooperation between, and modernization of, the construction sectors of Germany and the Soviet Union. The crash home-building program for the returning 70-80,000 officer families alone will require investments of DM6-8 billion over the next four years. That investment will help to establish one of the biggest modern complexes in the world for the production of prefabricated construction components; the plant will continue to work on other vital projects after 1994.

At least 6,000 East German construction workers will join the 1,500

already working at projects in the Soviet Union in close cooperation with newly structured Soviet construction firms.

The homes will be built in four regions of the western U.S.S.R. that are still to be defined. But it is already clear that the project involves more than just building houses—including infrastructure such as roads, power stations, department stores, day-care centers, and more—and is leading to traditional city building. The experience accumulated in this four-year crash program can be utilized as an incentive for designing entire new cities, which are needed to replace the run-down cities of the Soviet Union and Eastern Europe. If done the right way, this four-year project of building officers' homes in the U.S.S.R. will demonstrate that new cities can be built within a few years, which is of immediate interest for Third World populations which have no decent housing.

A hint in this direction was given by West German Economics Minister Haussmann, who said in Bonn Sept. 7 that building homes for Soviet officers in the U.S.S.R. is but one aspect of the envisaged long-term German-Soviet cooperation in the construction sector. Having met with a U.S.S.R. government delegation in Bonn the day before, Haussmann said:

"What we are aiming for is more than building just a few, or many turn-key homes in the Soviet Union. What we are aiming for is a basis for long-term cooperation between the construction sectors of both countries. Building homes shall only be one among several areas of cooperation.

... We also think of a closer connection between the development of the infrastructure and construction projects."

It was leaked from Bonn government circles that day that Germany is offering to train Soviet soldiers in Western construction skills, to help them to be able to work efficiently in future construction projects in the U.S.S.R. This is also to achieve a better reintegration of a certain percentage of the 300,000 enlisted men who are to be withdrawn from East Germany over the coming four years (or earlier), into the civilian economy of the Soviet Union.

In another agreement signed Sept. 10 after negotiations with a Soviet delegation in East Berlin, West German Minister of Agriculture Ignaz Kiechle announced the delivery of DM2.5 billion of surplus pork, beef, and other food products to the Soviet Union over the coming weeks into the spring of next year. These will mainly be surpluses from East Germany, the citizens of which are now supplied with higher-quality food products from the West.

The emergency food deliveries include 120,000 tons of cow meat and 20,000 tons of beef, 100,000 tons of pork, 10,000 tons of chicken and goose meat, 60,000 tons of butter, 3,000 tons of full-fat milk powder, 5,000 tons of fish, 60,000 tons of flour, and 100 million eggs. Germany will also deliver 1 billion cigarettes and 500 tons of tobacco.

The U.S.S.R. agreed to pay DM176 million plus another DM824 million from the transfer-ruble account built from trade between East German firms and Soviet import firms. The price difference of DM1.5 billion will be subsidized by the West German government, balancing the approximate production costs of the state-run East German farm cooperatives.